



CAMBODIA'S ENERGY TRANSFORMATION:

How Renewable Energy & ESG Ratings Are Redefining the Future



A New Global Reality: Energy Security is No Longer Optional

The ongoing instability in the Middle East has once again exposed a fundamental vulnerability in the global economy, overdependence on fossil fuels and concentrated energy supply chains. Oil price volatility, supply disruptions, and geopolitical risks are forcing governments, investors, and corporations to rethink energy strategies.

Across **ASEAN, and particularly in Cambodia, Vietnam, and Laos, this shift is accelerating rapidly.** Renewable energy is no longer a “green alternative.” It is becoming a **strategic necessity for energy security, economic resilience, and long-term sustainability.**

What is Renewable Energy and Why It Matters Now

Renewable energy refers to energy derived from natural sources that are replenished continuously. Unlike fossil fuels, these sources are sustainable, environmentally friendly, and increasingly cost-competitive.

Key Types of Renewable Energy

- **Solar Energy** – Harnessing sunlight through photovoltaic (PV) systems
- **Hydropower** – Electricity generated from flowing water (a major asset in Laos)
- **Wind Energy** – Power from wind turbines (gaining traction in Vietnam)
- **Biomass Energy** – Organic material such as agricultural waste
- **Geothermal Energy** – Heat extracted from beneath the earth's surface

Why Renewable Energy is Surging in Cambodia & the Region

1. Energy Security & Independence

Cambodia remains heavily reliant on imported fuel and external energy sources. Renewable energy reduces this dependence and enhances **national resilience.**

2. Rapid Economic Growth Driving Demand

With GDP growth in the **5–6% range**, electricity demand is rising sharply across Cambodia and neighbouring Vietnam and Laos. Renewable energy provides scalable and sustainable capacity expansion.

3. Cost Competitiveness Has Shifted

Solar and wind are now among the **lowest-cost energy sources globally**, making them economically viable without heavy subsidies.

4. Regional Advantages

- **Cambodia:** Strong solar irradiation potential
- **Laos:** Hydropower powerhouse of Southeast Asia
- **Vietnam:** Rapid expansion in wind and solar infrastructure



5. Alignment with ASEAN & Global Climate Goals

Governments are aligning with **net-zero commitments**, green finance frameworks, and ESG-driven investment mandates.

The Strategic Benefits of Renewable Energy

For Governments

- Reduced import dependency
- Improved fiscal stability
- Enhanced energy security

For Investors

- Stable, long-term cashflows (via Power Purchase Agreements)
- ESG-compliant investment opportunities
- Access to green bonds and sustainable finance

For Corporates

- Lower long-term energy costs
- Stronger ESG positioning
- Enhanced brand and stakeholder trust

The Missing Link: Why ESG Ratings Are Now Critical

As renewable energy projects scale, **capital is no longer flowing based on financials alone.**

Today's investors and lenders evaluate projects through three critical lenses:

- **Environmental** – Carbon impact, sustainability, climate alignment
- **Social** – Community impact, labour practices
- **Governance** – Transparency, risk controls, compliance

ESG ratings are becoming the “license to operate” for renewable energy projects.

Without credible ESG assessment:

- Projects face funding delays
- Valuations are discounted
- Investor confidence weakens

With strong ESG credentials:

- Projects attract **premium valuations**
- Access to **green financing improves**
- Risk perception significantly reduces



Andersen in Cambodia: Enabling the Energy Transition

Positioned at the intersection of **energy, capital markets, and ESG**, **Andersen in Cambodia** is playing a pivotal role in shaping the renewable energy landscape in Cambodia and the broader Indo-China region.

Why Andersen in Cambodia Stands Out

- **Accredited Credit Rating Expertise** aligned with regulatory frameworks
- **25+ years of regional experience** spanning Australia, Hong Kong, and Southeast Asia
- A **fully integrated international + local team**, combining global standards with local market intelligence

End-to-End Advisory Across the Renewable Energy Lifecycle

Andersen in Cambodia provides a **full-suite, investor-grade advisory platform**:

1. ESG Ratings & Credit Assessments

- ESG scoring aligned with global and regional standards
- Creditworthiness and risk analysis for energy assets
- Green bond and sustainable finance readiness

2. Investor Readiness & Capital Positioning

- Preparation of **Investor Information Memorandums (IMs)**
- Financial teasers and strategic positioning documents
- Structuring projects for **bankability and investor appeal**

3. Market Engagement & Capital Raising

- Market sounding and targeted investor outreach
- Assessment of indicative interest
- Strategic engagement with regional and global investors

4. Transaction Advisory & M&A Support

- Coordination and management
- Early-stage structuring for M&A or joint ventures
- Strategic positioning ahead of formal processes

5. Valuation & Due Diligence

- Business and asset valuation (DCF, comparable multiples)
- Financial, commercial, and operational due diligence
- Risk identification and mitigation strategies



6. Additional Strategic Services

- Regulatory advisory (NBC, SERC alignment)
- ESG compliance preparation and reporting frameworks
- Post-investment monitoring and rating surveillance
- Green finance structuring (including bond frameworks)

Why This Matters Now: A Window of Opportunity

Cambodia and its neighbouring markets are at a **critical juncture**:

- Energy demand is rising
- Capital is available but selective
- ESG is becoming mandatory, not optional

Those who **structure, position, and validate their renewable energy assets correctly** will attract capital faster, achieve better valuations, and secure long-term strategic advantage.

Final Perspective: From Energy Transition to Energy Leadership

Renewable energy is no longer a future concept; it is the foundation of tomorrow's economy.

For Cambodia, Vietnam, and Laos, the opportunity is not just to adopt renewable energy but to **lead in it**.

And in this new paradigm:

- **Energy assets must be bankable**
- **Projects must be ESG-compliant**
- **Investments must be transparent and structured**

Andersen in Cambodia is helping bridge that gap by transforming renewable energy projects into investable, scalable, and globally competitive assets.

Enquiries

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